FRAZIER & DEETER™

EDITION 2

UK Life Sciences Innovation Signals

Q1–Q3 2026

Capital | Capability | Conversion

Funding became more concentrated, while trial setup and regulatory coordination improved. The commercial impact will depend on delivery capacity and sustained use.

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Headline growth masked
a more selective market.

CAPITAL

WHAT HAPPENED?

£3.56bn

Disclosed capital
Up 14.3% from first 3 quarters in 2025

WHY IT MATTERS

- 43.6% came from one round
- The median disclosed round fell from £0.75m to £0.61m, down 18.3%

WHAT COMES NEXT

Broader funding, more companies raising and a recovery in the median round

Funding increased, but the growth was concentrated.

CAPABILITY

WHAT HAPPENED?

122 days

Time taken to reach first participant enrolled in clinical trial

47 days faster than the comparable earlier cohort

WHY IT MATTERS

- Only 44% of approved studies opened to recruit patients for clinical trials within 60 days
- 67% recruited within 30 days of opening
- Both measures remained below their 90% targets

WHAT COMES NEXT

Faster study opening and recruitment, supported by capacity that companies can access

Trial setup improved, but delivery after approval remained constrained.

CONVERSION

WHAT HAPPENED?

90

Drug programmes scheduled onto the joint MHRA–NICE pathway across 49 therapeutic areas

WHY IT MATTERS

- Regulatory and reimbursement decisions are becoming more closely coordinated
- No medicine had completed the formal aligned pathway by 30 September 2026

WHAT COMES NEXT

NHS deployment, sustained use and measurable patient outcomes

Coordination improved, but evidence of widespread adoption remained limited.

KEY CONCLUSION

Funding increased but became more concentrated. Trial setup improved, but delays remained after approval. Regulatory and reimbursement decisions became more closely coordinated, while evidence of widespread adoption remained limited.

"Typical" means the median. Trial opening and recruitment indicators relate to different cohorts from the 122-day median.

Sources: Beauhurst; DHSC; MHRA; NICE.

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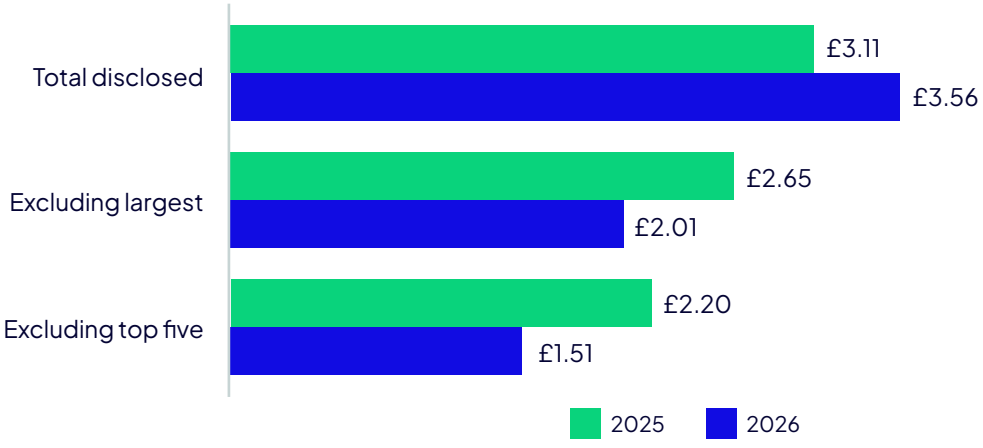
CAPITAL

Disclosed capital increased, but became more concentrated.

The funding market strengthened at the top end, but conditions for the typical company remained more challenging.

Headline funding rose 14.3%, but capital **outside** the largest deals weakened.

Disclosed capital (£bn), January to September – 2025 Vs 2026



KEY COMPANY CONDITIONS

Median funding round

£0.75m → £0.61m

Down 18.3%

Completed rounds

528 → 505

Companies raising: 513 → 494

WHAT THIS MEANS **For founders and CFOs, the headline funding figure masks the reality of the conditions most companies are facing.**

Key indicators are capital raised beyond the largest rounds, the median funding round size and the number of companies securing funding.

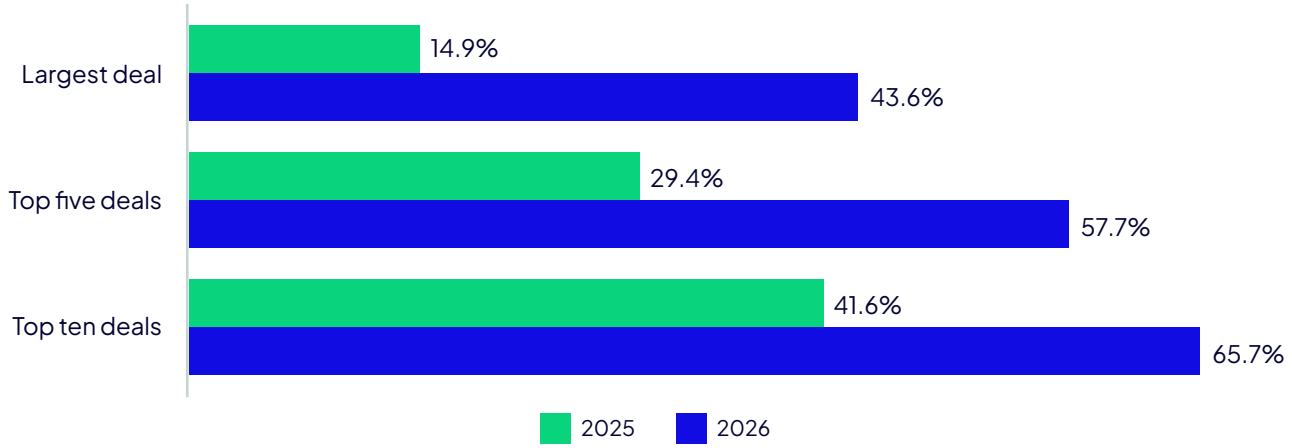
Source: Beauhurst. Completed disclosed fundraising, January to September 2025 and 2026.

Completed rounds only. Undisclosed amounts excluded from monetary metrics. 487 of 505 rounds disclosed an amount (96.4%); 18 did not. Rankings are separate within each year.

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A larger share of capital flowed to a smaller group of transactions.

Share of disclosed capital, January to September: 2025 Vs 2026



Isomorphic Labs was the largest round in both periods: £464.42m in 2025 and £1.55bn in 2026.

The 2026 round represented 43.6% of capital. Its $2.1bn financing was recorded at approximately £1.55bn after GBP conversion.

Broader market improvement would be reflected in lower concentration, more completed rounds and a recovery in the median round.

Source: Beauhurst. Completed disclosed fundraising, January to September 2025 and 2026. Concentration is measured by individual funding round, not company group.



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Therapeutics drove funding, while medtech fundraising fell.

Completed funding, January to September 2026

Therapeutics

Drug discovery, therapeutics platforms and medicines development

£2.97bn raised in 2026

83.5% of all disclosed capital
204 completed rounds

52.2% of therapeutics funding came from Isomorphic Labs

£1.42bn remained after excluding the largest transaction

Medtech & diagnostics

Medical devices, diagnostics and technologies used in patient care

£328.7m raised in 2026

190 completed rounds

Largest transaction: 14.8% of medtech funding

£280.2m remained after excluding the largest transaction

Therapeutics dominated total funding, although the headline figure was heavily influenced by one exceptional transaction. Medtech funding was less concentrated, although both capital and completed rounds were lower than in 2025.

Investment implications

Subsector totals do not show how easily an individual company can raise funding. Founders and investors should compare funding trends by company stage, business model and exposure to exceptional transactions.

Evidence of broader market recovery

Broader market recovery would be reflected in more companies completing funding rounds, capital distributed beyond the largest transactions and renewed activity across a wider range of subsectors.

Each deal is assigned to one primary subsector. Classification is interpretative. Figures are rounded and company counts are not additive.

Subsector median rounds are not reported in the Beauhurst data and are omitted.

Source: Beauhurst. Completed disclosed fundraising by primary subsector, January to September 2025 and 2026.

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CAPABILITY

Trial setup improved, **while study opening** and recruitment remained below target.

Allow for study opening and recruitment delays in development plans. Progress will depend on delivery against targets and capacity that companies can access.

Performance varied across key clinical trial delivery measures.

1 SETUP IS FASTER

122 days

Time taken to reach first participant enrolled in clinical has improved

47 days faster than the comparable earlier cohort

2 MORE TRIALS MET THE SETUP MEASURE

73%

Completed setup within 150 days

Up from 45% but below the 95% target

3 DELAYS REMAIN AFTER APPROVAL

44%

Opened within 60 days

Target: 90%

67%

Recruited a first participant within 30 days of opening

Target: 90%

WHY THIS MATTERS

Faster setup can shorten development timelines; however, delays in opening sites and recruiting participants can consume cash runway and delay clinical milestones.

Commercial interventional medicine trials: April to September 2024 application cohort compared with April to September 2025. Median application-to-first-participant time improved from 169 to 122 days; 73% of studies with known status met the 150-day measure, compared with 45% in the earlier cohort.

The 122-day and 73% measures relate to comparable April to September application cohorts. The 44% and 67% measures relate to separate February 2026 reporting groups and should not be combined with the 122-day measure. Coverage predominantly reflects studies recorded through CPMS and does not represent every UK commercial trial or individual participating site.

Source: DHSC, UK Clinical Research Delivery Key Performance Indicators, data to August 2026.

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Regulatory performance is visible today; wider capacity still has to be delivered.

OPERATING TODAY

MHRA

98% on-time year-to-date

29-day median for August clinical trial applications

Faster regulatory processing can improve planning certainty, but it does not resolve constraints elsewhere in trial delivery.

CAPACITY BEING BUILT

Announced commitments

£87m	manufacturing grants
£400m	GSK UK R&D investment over three years
£20m	translational research hub
£20m	regulatory science programme
£90m	doctoral training awards

These commitments could strengthen manufacturing, translational research, regulatory expertise and scientific talent. Their value will depend on whether the investment results in capacity that companies can access.

EVIDENCE OF DELIVERY

- **Facilities commissioned and operational**
- **Specialist staff recruited and retained**
- **Companies accessing the new capacity**
- **Utilisation increasing**
- **Delivery against announced commitments**

MHRA on-time measure combines initial CTA and Clinical Investigation applications. Grants and investment announcements are commitments, not operating capacity.

Sources: MHRA; DHSC; GSK; GOV.UK; UKRI; Sector Plan supporting analysis.

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CONVERSION

Regulatory and reimbursement coordination is improving. Evidence of routine adoption remains limited.

Closer decisions can improve certainty when planning market access. The next evidence needed is NHS deployment, sustained use and measured patient outcomes.

Decisions are becoming faster and more coordinated. Adoption remains the unanswered question.

WHAT WE CAN SEE

- Regulatory and reimbursement decisions are becoming more closely aligned.
- 90 topics have entered the aligned pathway across 49 therapeutic areas.
- Aficamten provides an early example of coordinated MHRA and NICE decisions.

AFICAMTEN MHRA authorisation: 29 July 2026
NICE guidance: 30 July 2026

WHAT WE CANNOT YET SEE

- How many medicines have reached routine NHS use?
- How quickly are coordinated decisions being implemented?
- Are patients receiving these medicines?
- Are outcomes improving?

WHY THIS MATTERS Faster and more coordinated decisions can reduce uncertainty for companies planning market access; however, coordinated decisions alone do not demonstrate NHS adoption, commercial uptake or patient benefit.

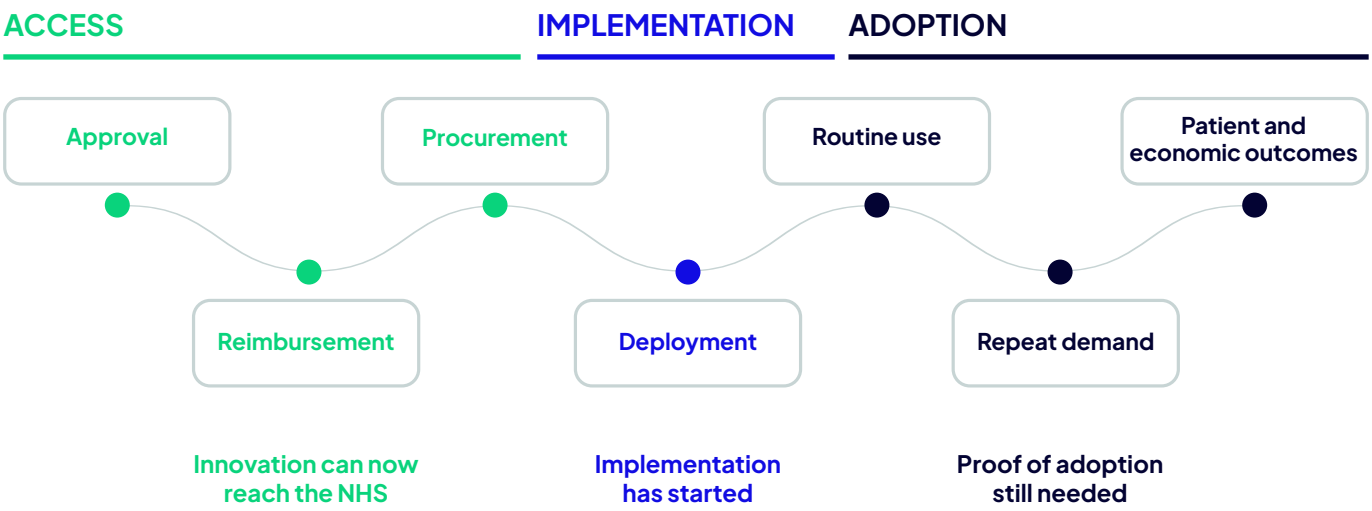
As of 30 September 2026, no medicine had completed the formal aligned pathway. Aficamten illustrates aligned decisions only.

Sources: MHRA coordinated aficamten decision; NICE Aligned Access Pathway update (30 September 2026).

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Access is improving.
Adoption remains the unanswered question.

Approvals and procurement create a route to market. They do not, on their own, demonstrate adoption or commercial success.



ACCESS EVIDENCE AVAILABLE

- Coordinated MHRA and NICE decisions for aficamten
- Procurement route covering 1,239 GP practices
- £215.2m NHS screening contract awarded

ADOPTION EVIDENCE STILL NEEDED

- Routine NHS use
- Repeat purchasing and renewal
- Measured patient outcomes

WHAT THIS MEANS The evidence shows improvements in approval, reimbursement and procurement. The next challenge is demonstrating routine use, repeat demand and measurable patient outcomes.

This is a qualitative assessment of the evidence cited in this report, not a system-wide score. The stages are distinct and may overlap.

Sources: MHRA; NICE; Midlands regional procurement route; National HealthTech Access Programme; NHS England adult screening procurement award.

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Commercial announcements are not directly comparable.

Funding, acquisitions and contracted demand may all indicate progress, but they represent different stages of commercial development.

FINANCING	**Capital available**	**Redx/Skye** **Approximately $125m financing**	**What it tells us** Investors are willing to fund further development.	**What it does not tell us** Whether the programme will succeed commercially.
STRATEGIC VALIDATION	**Perceived value**	**Myricx Bio** **$1.1bn upfront**	**What it tells us** A large pharmaceutical company sees value in the platform and pipeline.	**What it does not tell us** Whether products will reach patients or generate future revenues.
CONTRACTED DEMAND	**Customer demand**	**OXB** **Approximately £193m revenue backlog**	**What it tells us** Customers are placing orders.	**What it does not tell us** Whether those orders convert into recognised and repeat revenue.
RECOGNISED REVENUE	**Revenue delivered**	**COMMON MISTAKE** Comparing funding raised, acquisition values, contract values and revenue as if they measure the same thing.		**THEY DO NOT** Each reflects a different stage of commercial progress.
RECURRING REVENUE	**Repeat demand**			

WHY THIS MATTERS A large headline number does not always mean commercial success. Funding provides capital for future development, acquisitions reflect perceived value and backlog demonstrates customer demand. Sustainable commercial success is demonstrated through delivered and repeat revenue.

Illustrative examples only. The transaction values are not directly comparable and do not represent a sector-wide trend.

Redx/Skye financing is subject to transaction completion. Myricx acquisition agreed, with up to $400m in contingent milestones. OXB includes ~£97m of client orders at H1; backlog alone does not establish recurring revenue. None alone proves clinical success, routine adoption or patient outcomes.

Sources: Skye Bioscience and Redx Pharma, 14 August 2026. Novartis, 6 July 2026. OXB half year trading update, 7 August 2026.

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Appendix:
Methodology, limitations and sources

CAPITAL BASIS

Beauhurst data: completed funding rounds from 1 January to 30 September in each year. One unique deal URL represents one round. Undisclosed amounts remain in round and company counts but are excluded from monetary statistics. Amounts were disclosed for 487 of 505 completed rounds (96.4%). Values are nominal GBP. Capital geography reflects company head office.

EVIDENCE RULES

Acquisition value, financing and backlog are not directly comparable. Selected examples are illustrative. Clinical indicators lag. Recognised and recurring revenue are distinct milestones, as are measured patient outcomes.

SCOPE

Reporting period: 1 January to 30 September 2026. Information cutoff: 5 October 2026. Sector Plan supporting analysis qualifies the findings. Geographic coverage varies: some healthcare indicators relate to England, England and Wales or individual regions.

The report treats commitments, approvals, procurement, deployment, utilisation, revenue and patient outcomes as separate forms of evidence.

Principal sources: Beauhurst; DHSC clinical research KPIs (August 2026); MHRA; HRA; GOV.UK Sector Plan, manufacturing and regulatory science; GSK; UKRI; NICE; NHS England; Contracts Finder; Novartis; Skye Bioscience; OXB.



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What the signals mean
for decision makers

Founders

PLAN BEYOND THE NEXT FUNDING ROUND

Benchmark against comparable companies and stages. Build trial delivery, market access and adoption into funding requirements from the outset.

CFOs

PROTECT RUNWAY THROUGH EXECUTION

Allow for delays in study opening, recruitment and NHS implementation. Track contracted demand through to recognised and repeat revenue.

Investors

TEST EXECUTION ALONGSIDE THE SCIENCE

Look beyond headline funding and strategic announcements. Assess trial progress, active use, repeat demand and evidence of renewal.

Policymakers

CONNECT POLICY PROGRESS WITH DELIVERY

Track whether regulatory improvements, investment commitments and procurement routes translate into accessible capacity, faster delivery and measurable outcomes.

Apply the same test to every indicator

For each indicator, consider what has been delivered, what evidence is still needed and what could delay further progress.



THE BIGGER SIGNAL

The UK continues to generate strong science and attract investment. The priority now is to broaden access to capital, improve delivery and convert progress into sustained demand and measurable patient outcomes.

Source: Synthesis of cited evidence in this report.

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